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BOSTON'S NEIGHBORHOOD DEVELOPMENT PROFILE;
FORGING NEW STRATEGIES FOR PUBLIC INVESTMENT
AND DEVELOPMENT PROGRAM DESIGN

A Project Completion Report
For Boston's Community Renewal Program
Funded by the
U.S. Department of Housing and Urban Development

Boston Redevelopment Authority
Research Department

May 1977

Kevin H. White, Mayor
City of Boston

Robert F. Walsh, Director
Boston Redevelopment Authority

Alexander Ganz,
Research Director



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PREFACE

Boston's strategy for downtown development and neighborhood revitalization shaped in the 1960's, guided a planning and development role which succeeded in encouraging a notable private sector office building effort downtown and an expanding flow of public improvements and community development resources to the City's neighborhoods. A revived City economy experienced substantial growth in jobs in a broad range of services activities, and the rising level of urban amenities reduced by half, in the 1960-70 decade, the rate of population decline of the earlier 1950s' decade.

But economic, demographic, and fiscal trends in the Nation and the City have changed significantly since 1970, forcing a redirection of development strategy and policy. The expansion of the 1960s has been followed by two successive national economic recessions which have brought substantial job losses for Boston; the City's office building boom peaked in 1975 and has been receding since. Unemployment in Boston, which had been far below the national rate in 1970, very substantially exceeded the national rate in 1975, as well as in 1977. Nevertheless, an influx of young adults, largely middle-class, reflecting both national demographic trends and the growing attractiveness



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of Boston as a place to live, has stabilized the City's population level and increased the number of households since 1970. In addition, curtailment of Federal and State funding, and exacerbation of the City's fiscal condition flowing from its forced reliance on the property tax as its principal revenue source, brought new requirements for constraint in city public investment; the long-term public capital improvements program launched in 1968 is rapidly coming to an end.

As a consequence, a need for new directions in Boston planning and development strategy has emerged. On the one hand, there is the requirement for more sparing use of public investment resources and their more pinpointed application to the achievement of objectives for job creation, private investment stimulation, tax revenue generation and neighborhood impact. On the other hand, there are new opportunities to broaden the City's economic base and to spread development outward from the last decade's concentration on downtown.

As a result, a new approach to planning and development is emerging, with a focus on multiple objectives, maximizing the public investment role, and shifting the economic base toward greater emphasis on hotel and convention center development, retail trade, transportation, manufacturing,

downtown residential, historic preservation and recycling of older buildings, complemented by the continuing expansion of facilities for medicine and higher education, finance, and professional services.

In this setting, a new effort to advance planning and development in Boston was undertaken centering on the preparation of medium and long-term neighborhood planning and development profiles, identification of needed new directions for public investment and related costs and benefits, and the outlining of the new program potential and associated social and economic impacts.

There is much to show for the year's effort, but most important of all, perhaps, is the recognition that the work undertaken is in the mainstream of planning and development in Boston, and is being broadened and widened.

The following pages describe (1) noteworthy accomplishments and their contribution to decision-making, (2) the outlook for a continuing program and the need for further Federal aid, and (3) an annotated list of all reports and other materials prepared for the project.

I. NOTEWORTHY ACCOMPLISHMENTS AND THEIR CONTRIBUTION TO DECISION-MAKING

The year's effort significantly broadened and deepened Boston's planning and development information and analysis base. This served to articulate a new approach to planning and development responsive to new perceptions of both need and opportunity. New work more clearly delineated the required new role of public investment in achieving multiple City objectives. There were key planning reports which contributed directly and importantly to decision-making. Most timely of all is the milestone reached in planning for Boston's economic recovery and long-term growth.

1. Boston's Neighborhood Development Profile

A draft report entitled "Investment Resource Allocation by Neighborhood, and the Evolution of City Strategy", and related planning analyses, were important elements incorporated in the City's development program, prepared by the BRA Research Department and presented by Mayor Kevin H. White in 1975 in a report entitled Boston's People and Their Economy; Mayor Kevin H. White's Program; A Summary. A limited edition version with detailed charts and tables was issued in January 1976, under the title "Boston's Economic Program; Planning and Development for the 1976-85 Decade".

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Part III, of the Mayor's Report, entitled "PUBLIC POLICY, PLANS AND PROGRAMS", contains sections entitled:

"Planning for Neighborhood Revitalization";
"Planning for Downtown";
"The Ten-Year Public Improvements Program";
"The Neighborhood Improvement Program, 1975-76";
"Community Development Block Grant Program";
"Urban Redevelopment".

These outlined public plans, programs, and strategies.

Part IV, entitled "EXPANDING BOSTON'S ECONOMIC BASE; THE 1975-85 OVERALL INVESTMENT PROGRAM", provided, for the first time ever, a long-term, ten-year, articulated public and private investment program, by neighborhood and by type of investment. In effect, an investment and development program profile is presented for each of the City's neighborhoods. Conversely, Boston's investment program, by type of investment, is shown by neighborhood composition.

There are two charts, entitled, respectively, "Neighborhood Share of Programmed Investment in the City of Boston", and "1975-85 Investment Profile of Boston's Neighborhoods". There are two corresponding tables entitled, respectively, "Investment Programmed in Boston's Neighborhoods, 1975-85", and "1975-85 Investment Profile of Boston's Neighborhoods".

A concluding note, in this section, however, identifies the limitations of this program formulated in 1975-76, as follows. "The wide-ranging ten-year public and private investment program in Boston's neighborhoods described above will go far toward promoting revitalization, expanding opportunities and improving the quality of life. It will fall short, however, of providing for desirable goals with respect to jobs and income.....".

Later stages of this project deal with this issue, as noted below.

2. Role of Public Investment; Analysis of Costs and Benefits

For the purpose of advancing and refining the planning and development process, especially in an era of fiscal constraints with prospects for the more limited availability of public investment resources, a major new effort was carried out, new staff capabilities developed, and techniques improved for the analysis and projection of public investment costs and benefits associated with major development projects under active consideration by the City.

Having in mind the need to know the best alternative uses of the public investment dollar for the achievement of City objectives, there was a felt need to substantially improve the depth, scope and analytic method for projecting



public investment costs and measuring the related benefits.

The opportunity to do this was provided in the preparation of three major reports on public investment costs and benefits associated with (1) Charlestown Navy Yard Reuse, (2) South Station redevelopment, and (3) Boston Marine Industrial Park and Massport Container-port proposals. These reports all contain detailed year-by-year cash flow projections of public investment costs, including infrastructure, their financing, and tax revenue benefits, all generated through the use of a newly developed computer analysis program. Related benefits of jobs and income, private investment stimulation, and neighborhood impact were also analyzed and projected. Alternatives for leveraging city public investment to marshall much larger flows of State, Federal, and private investment are clearly delineated in these analyses.

These analyses and reports provided a superior basis than previously available for crucial public sector decision-making.

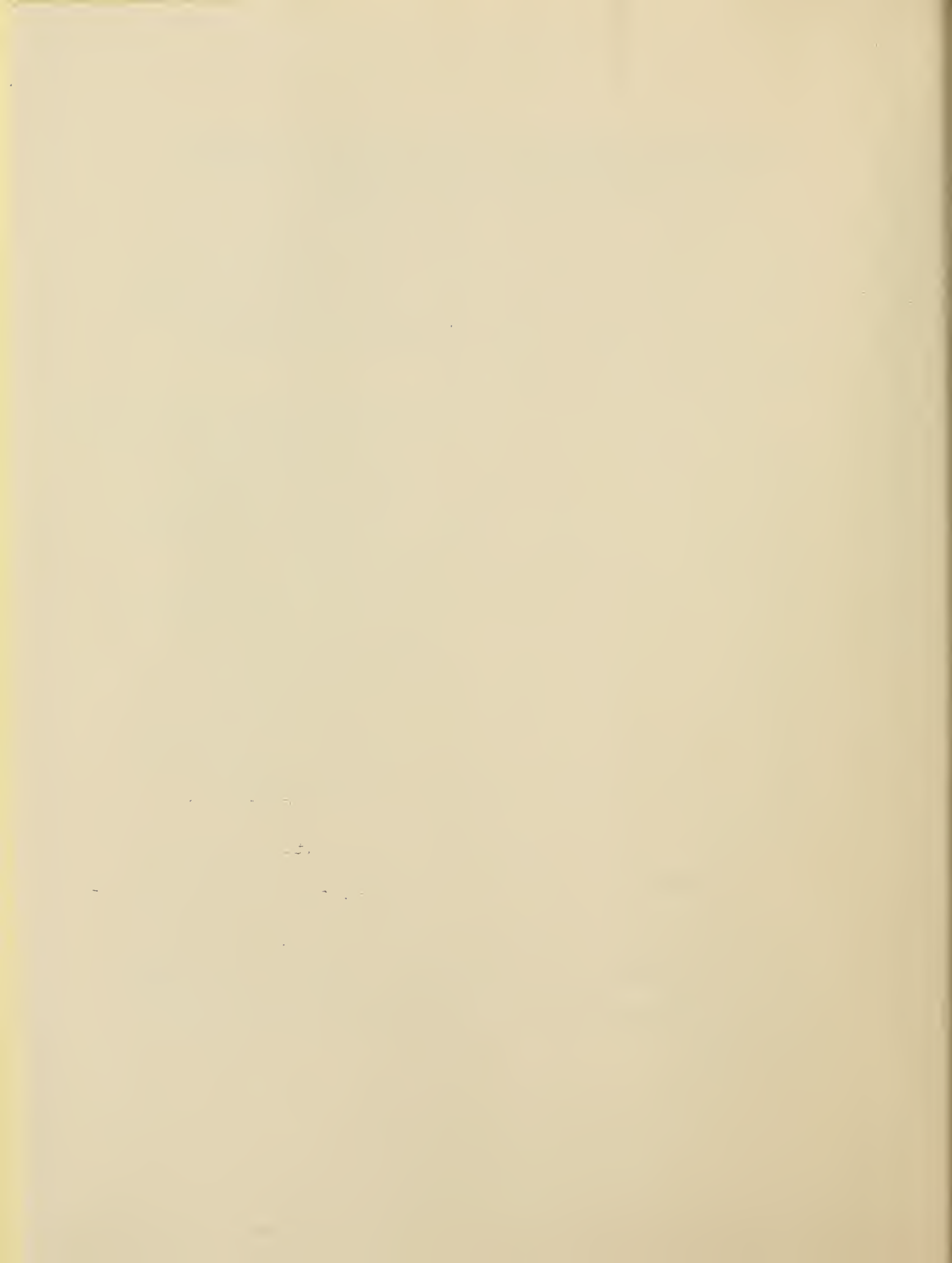


3. Comparative Analysis of Major Developer Proposals and Public Sector Projects; Genesis of Boston's New Development Strategy and Program

In order to provide a more appropriate base for public investment decision-making, an extensive analysis of all major private developer proposals and public sector projects was carried out.

The resulting study identified \$5.8 billion of investment projects underway and planned, with a potential for generating 45,000 jobs directly. City public investment requirements were estimated at \$560 million. Basic analyses were also completed on investment composition, by type, and by downtown vs. neighborhood location. Coefficients of jobs created per million dollars of public investment, and dollars of private investment for each dollar of public investment, by major type of investment, were also generated.

But beyond these immediate objectives of the study, a whole new vista has emerged providing a base for the genesis of Boston's new development strategy and program, and the related key role of public sector planning and investment.



The study identifies the fundamental shift in investment patterns that may be anticipated over the next five to ten years in comparison with the last 15, highlighting the opportunity for expanding Boston's economic base and broadening the neighborhood impact. The study points to the prospect for lesser growth of new office structures, and the potential for expanded growth of hotels and convention centers, retail trade, transportation facilities, downtown residential use, recycling of old buildings and historic preservation, and neighborhood industrial and medical and higher education institutional development.

This new horizon for expansion of Boston's economic base and related job creation implications, provides a framework for the formulation of city-wide and neighborhood development plans which would interrelate the new opportunities for jobs and income with the occupational skills of the labor force, the City's manpower training programs, and the efforts to make high school curriculum more relevant. This framework would improve the prospects for focusing on bypassed neighborhoods as well as those in which much has been done, but not enough.

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Much of the work carried out in this comparative analysis of development projects is currently being utilized in the preparation of Boston proposals for the projected Urban Development Action Grant program sponsored by HUD.

The basic development strategy emerging from this work has gained broad acceptance in City policy and decision-making.

It should be noted, however, that the comparative analysis, at this stage, has greater scope than depth. Public investment costs have been crudely estimated and do not yet entail the detailed year by year cash flow projections and cost and benefit analysis undertaken for the Charlestown, South Station, and the Boston Marine Industrial Park projects. Market and feasibility studies remain to be carried out for many of the development proposals.

Nevertheless, a new base for public investment decision-making has been established; one that provides a framework for judging public investment use in relation to City objectives for jobs, income, private investment stimulation and neighborhood impact.

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As a result, basic changes in public investment decision-making can be anticipated. The 1968-76 era of channeling public investment into schools, libraries, police and fire stations, parks, community facilities, and housing fix-up, - to make the neighborhoods attractive as places to live -, may be expected to yield to a new period in which public investment will focus more on economic infrastructure related to job creation and private investment stimulation, and related social infrastructure needs.

II. PROSPECTS FOR A CONTINUING PROGRAM IN NEIGHBORHOOD PLANNING AND DEVELOPMENT; THE NEED FOR FEDERAL AID

The work undertaken on:-

- (1) neighborhood investment and development profiles,
- (2) an improved approach to the analysis of public investment costs and benefits,
- (3) the comparative analysis of major development investment projects, and
- (4) the identification of the new directions and potential for development strategy and program, and the public sector role, has generated a new high priority agenda for the shaping of neighborhood planning and development strategies and programs.

The new generation of medium and long-term neighborhood planning and development programs is concerned with unemployment and jobs and income, expanding the economic base, private investment stimulation, matching job creation with skills development

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of the neighborhood labor force, providing the requisite public sector economic and social infrastructure, prospects for population and households, and the dynamics of housing markets and financing.

The new approach reflects basic changes in Boston as a place to work and to live, and the obsolescence of older program approaches. In the 1960s, Boston was gaining jobs and losing population, spawning an emphasis on public improvements and neighborhood revitalization. In the 1970s, Boston has been losing jobs, while population has stabilized, but the fiscal crunch is limiting public investment, the growing property tax burden is threatening the viability of investor-owned multi-family housing, and inadequate income and opportunity are the main danger for neighborhood stability. In 1970, unemployment was concentrated in Boston's minority neighborhoods, but in 1975 and 1977 high unemployment is a feature of many of Boston's older ethnic neighborhoods. Hence, the focus now is on better use of public investment for private investment stimulation, job creation, income generation, and tax revenue yield, and the need for tax reform.

In January 1976, the Director of Boston's Office of Community Development, in his letter of recommendation and transmittal, of the proposed 1976 Community Development Block

program, to the Mayor, noted that the program, which was housing improvement and neighborhood fix-up oriented, was one which would do a lot of good. He raised the question, however, of whether the program represented the best use of public investment resources, suggesting that perhaps the money would be better spent by concentrating it on job creation and industrial development instead. He concluded that he did not have the adequate information or criteria for the proper assessment of alternatives for public investment resource use.

Boston still does not have the background analyses and projections to adequately address this most urgent question. The work undertaken under the Community Renewal Program grant, as outlined in Part I, however, represents a good beginning toward the development of a more adequate and appropriate information, analysis, and projection framework for the better design and implementation of the new directions for public investment and the related formulation of medium and long-term neighborhood planning and development strategies and programs.

The need for an expanding effort in these new directions has been recognized as an issue of the highest priority by the Boston Redevelopment Authority. A continuing and broadened program in public investment planning and the preparation of

medium and long-term neighborhood development strategies and programs has been mandated by the Director of the Boston Redevelopment Authority.

III. AN ANNOTATED LIST OF ALL REPORTS

Following is a list of reports flowing from the research, analysis and planning effort carried out under the Community Renewal Program Grant.

1. Neighborhood Development Profiles

Boston Redevelopment Authority, Research Department,
Boston's People and Their Economy, Mayor Kevin H.
White's Program, July 1975.

Boston Redevelopment Authority, Research Department,
Boston's Economic Program; Planning and Development
for the 1976-85 Decade, January 1976 (limited edition).

Boston Redevelopment Authority, Research Department,
"Investment Resource Allocation by Neighborhood in
Boston, and the Evolution of City Strategy", 1975,
(Draft Report)

Boston Redevelopment Authority, Research Department,
Neighborhood Improvement Program for the City of
Boston, 1975-76, A Summary Analysis, 1975

Boston Redevelopment Authority, Research Department,
The 1975, 1976, 1977 Community Development Block Grant
Program for the City of Boston; A Summary Analysis,
1977.

Boston Redevelopment Authority, Research Department,
Unemployment in Boston: Neighborhood Patterns and
Socio-Economic Characteristics, 1976.

Boston Redevelopment Authority, Research Department
Notes on the State Census of Population 1975; Con-
firmation of the Revival of Boston as a Place to Live,
1976.

Boston Redevelopment Authority, Research Department,
Boston's Population Prospects; Background Notes, 1976.

Boston Redevelopment Authority, Research Department,
Patterns of Property Values and Real Estate Market
Activity in Two Mattapan-Hyde Park Neighborhoods,
1976.

Boston Redevelopment Authority, Research Department,
West Roxbury; A Study of the Process of Neighborhood
Change, 1976.

Boston Redevelopment Authority, Research Department,
Neighborhood Business District Profiles, 1976

2. Analysis and Projection of Public Investment Costs
and Tax Revenue Benefits

Boston Redevelopment Authority, Research Department,
"Financial Analysis for the Charlestown Navy Yard
Development Project", 1976 (Internal Report)

Boston Redevelopment Authority, Research Department,
"Financial Feasibility Analysis for the South Station
Headhouse Development", 1977 (Internal Report)

Boston Redevelopment Authority, Research Department,
"Financial Analysis of the Boston Marine Industrial
Park Development", 1977 (Internal Report)

Special computer programs for projecting the cash flow
of public investment costs and benefits, labeled
"Development Program Analyses".

3. Comparative Analysis of Major Development Projects

Boston Redevelopment Authority, Research Department,
"Comparative Analysis of Major Private Sector
Development Proposals and Major Public Sector Projects",
1977 (Draft report).

Boston Redevelopment Authority, Research Department, Jobs
for Boston's Future; Expanding the City's Economic Base
Through Capital Investment, 1975.

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